

September 22, 2005

Honorable James H. Welsh  
Commissioner of Conservation  
Department of Natural Resources  
Office of Conservation  
P. O. Box 94275  
Baton Rouge, Louisiana 70804-9275

RE: Fredericksburg Lime, Reservoir A  
**CONVERSE FIELD**  
Sabine Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of Ellora Energy, Inc. to the Commissioner of Conservation for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Fredericksburg Lime, Reservoir A, in the Converse Field, Sabine Parish, Louisiana.

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Fredericksburg Lime, Reservoir A, in the Converse Field, Sabine Parish, Louisiana.
2. To create a single drilling and production unit and to force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation.
3. To designate a unit operator and a unit well for the proposed unit.
4. To provide that the gas allowable provisions of Statewide Order No. 29-F, LAC 43:XIX.2101, et seq., should not apply to horizontal wells drilled to the Fredericksburg Lime, Reservoir A, but that such wells should be given an allowable based on the maximum efficient rate (MER) of the well, being the maximum sustainable daily withdrawal rate from the reservoir which will permit economical development and reservoir depletion without causing waste.
5. To provide for special field spacing rules for any future horizontal well drilled to the Fredericksburg Lime, Reservoir A, which would provide (a) that the penetration point and terminus of any lateral of any such horizontal well shall not be located closer than 330 feet to any unit boundary; (b) that the distance from any point along the productive portion of any lateral and those unit boundaries which run generally parallel to the direction in which the laterals are drilled shall not be less than 500 feet; and (c) that there be no well spacing limitations between wells other than that accomplished by application of the aforesaid provisions.

6. To provide that the Commissioner of Conservation should be authorized to reclassify the Fredericksburg Lime, Reservoir A, in the Converse Field, created herein by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.

7. To discuss any other matters that may be pertinent to this application.

The Fredericksburg Lime, Reservoir A, in the Converse Field, Sabine Parish, Louisiana, is hereby defined as that gas and condensate bearing formation encountered between 2,952' and 3,110' (electrical log measurements) in the Mynor Drilling Co. - Oakley No. 1 Well, located in Section 11, Township 9 North, Range 14 West, Sabine Parish, Louisiana.

In addition to furnishing the legal notice to all Interested Parties, the applicant will provide for POSTING of the legal notice of the hearing and unit plat in a prominent place in the area of the Converse Field, Sabine Parish, Louisiana, and will cause the legal notice of the hearing to be PUBLISHED in a newspaper of general circulation published in the vicinity of the Converse Field, Sabine Parish, Louisiana, at least fifteen (15) days before the hearing date.

Any pertinent data relating to the subject application can be obtained **AT THE COST OF THE REQUESTING PARTY**, from Cambe Geological Services, Inc., 6300 Westpark, Suite 400, Houston, Texas 77057 (713-659-8363).

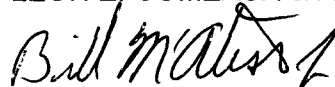
In compliance with the Rules of Procedure, a preapplication notice was given, but no request for a conference was received, and therefore, none was held.

There are attached hereto and made a part hereof a plat outlining the proposed unit and a list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom this application is being sent. Pursuant to the Revised Rules of Procedure, such list of parties and proposed unit plat (being the same plat attached to the September 9, 2005 preapplication notice) are being furnished **ONLY** to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, said plat and the list of parties will be provided to any party requesting copies. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, there is enclosed our check on behalf of the applicant, Ellora Energy, Inc. in the sum of \$755.00 payable to the Office of Conservation and representing the required hearing application fee.

Sincerely,

LEON E. COMEAUX & ASSOCIATES



Bill McAlister, Jr.

BMJr/cu  
Enclosures  
cc: Mr. Jim Broussard  
Office of Conservation  
1525 Fairfield Avenue  
Shreveport, LA 71107-4388

Interested Parties, Interested  
Owners and Represented Parties

